mittee have also referred to 6 other Central Bxcise cases relating to M/s. R.LL.

Brief particulars of these seven Central Excise cases, and the action taken in respect of stay orders, their adjudication and realisation *at* duty amounts, are given in the Annexure. *{See* Appendix 170, annexure No. 108].

(c) and (d) Stay ostlers issued by the Bombay High Court in respect of cases at Serial Nos. 3,4 and 7, mentioned in the Statement, were got vacated in February, 1993. As regards the stay granted by CEGAT against enforcement of the Collector's order dated 25-5-93, in the case at Serial No. 3 of the Statement, steps are being taken to move the CEGAT for early hearing.

(*) In view of (c) and (d) above, the question does not arise.

Detjr oa coated paper

*509. SHRI SARADA MOHANTY SHRI CHIMANBHAI MEHTA

Will the Minsiter of FINANCE be pleased to state:

(a) whether it is a fact that duty on coated paper produced by independent coating units is 20 percent'

(b) whether it is also a fact that duty on coated paper produced by paper mills having pulp, paper and coating units in the same premises central excise is paid @15 per cent and 10 per cent;

(c) whether it is a lacs that independendent coat-tug units' finished products become costlier by 16 per cent to 26 per cent as they have to pay CST, octroi/freight, handling charges, (inter-mediate commissions, eta., and

(d) whether it is a fact that in such a situation independent coating units cannot survive against mills having coming facilities in their premises and not peying intermediate taxes and charges?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir, Coated paper manufactured by large independent units attract? excise duty at 20% *ad valorem.* However, lower duty of Nil, 10% or 15% under the general SSI scheme is available to eligible independent manufacturers of coaled paper.

(b) Coated paper manufactured by paper mills having pulp, paper and coating units in She same premises where the pulp is composed of convbntioaal raw materials thard wood, soft wood certain reeds and ?rage)attracts excise duty of 20% *ad valorem.* Ccacessional rates of excise duty of 5%, 10%. or 15% are also available to paper units using at least 50 per cent of unconventional raw materials depending, *inter aha.* on the per centage of unconventional raw material in the pulp used and/or quantum of clearances made in a financial year.

(c) and (d) The price of coated paper made by independent coating units defends upon a number of factors including excise duty, sales tax, handling charges, freight, etc. Far a small coating unit with a turnover of Rs. 30 lakhs there would be no increase in price on account of excise duty as such units are exempted. Units with turnover upto Rs. 75 lakh s will have to pay excise duty at 10% or 15%, but they will be eligible for Modvat credit of duty paid on paper used by them. Larger units will have to pay duty at 20% The cost of coated paper made by an integrated unit also depends on various factors like excise duty; sales tax, handling charges freight, etc. Paper, like other finished goods, when cleared from a unit, atracts sales tax, octroi and other taxes and bears handling charges, freight, intermediate commission, etc. which vary depending, *inter aha,* on the policy of the state/local government, the location of the units concerned and the marketing pattern. Even for a units required to pay excise duty of 20% on coated paper, because of the input duty credit under Modvat which will now be avail-able, it is not possible to specify is to what would be the extra burden on accouns of this excise duty. In view of all these variable factors, it is not possible to quantify the coat increase of the finished coated paper manufactured by independent units and paper mills and to indi-cate whether independent coating units will be suffering either an overall price disadvantage or will not be able to survive vis-a-vis paper mills making coated paper.

[illegible]

*510. [illegible] : [illegible]